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BEFORE THE
FEDERAL COMMUNICATION COMMISSION
WASHINGTON, D.C. 20554

In the Matter of

International Settlement Rates **IB Docket No. 96-261**

To The Commission:

OPPOSITION

TO

THE PETITION FOR WAIVER

OF THE

BENCHMARK SETTLEMENT RATE FOR GUYANA

BY

Caribbean Telecommunications Limited

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Dated September 10, 2001

SUMMARY

Caribbean Telecommunications limited (CTL) opposes the request for a waiver of the Benchmarks rates for Guyana.

Full and open competition is Guyana's best and only realistic solution to development of its communications and information technology sectors. Granting of a waiver will delay the introduction of competition in Guyana, delay the build-out of Guyana's network and infrastructure, and delay lower pricing to consumers; all of which are inconsistent with FCC policies and the public interest.

The Government of Guyana is in the process of dismantling GT&T 's monopoly and introducing competition. The Government believes that only competition can achieve a teledensity far greater than ATN proposes. The Government has set its goal for a phone in every home by the year 2003 or sooner, whereas ATN wants to achieve a teledensity of only 23 by 2007. Granting of a waiver will inhibit this process and could adversely affect those negotiations.

Granting of the waiver will discriminate against other Caribbean nations that have implemented the FCC benchmark rates. The Caribbean Common Market("CARICOM") nations have aggressively embarked on a program to end the Cable& Wireless monopoly throughout the Caribbean. Granting of the requested waiver of the Benchmarks rate will not serve the public interest but only serve to prolong the monopoly status of GT&T and impede the progress of United States push for Guyana to comply with the World Trade Organization requirement to end the monopoly status of GT&T. Granting of the waiver will also establish precedent for granting of waivers when no unique circumstances have been demonstrated by GT&T.

GT&T did not use settlement rates it earned over the last 10 years to build out the

national network. GT&T only added 5,000 lines per year during this period at an estimated cost of about US$7.5 million. GT&T could not have realistically spent US$140 million. But even with GT&T's own numbers, it would be impossible to spend US$140 million over 10 years to install only 50,000 access lines during this period. This modest expansion is easily funded from on-going operations, especially since GT&T's revenues on average exceed $80 million per year. Added to this is GT&T's cellular business which has 25,000 subscribers today and will have 30,000-40,000 in the year 2000. The cellular revenues are projected to be over $50 million per year from January 2002.

GT&T has engaged in anti-competitive behavior and has used its monopoly power to deny CTL interconnection in Georgetown.

Regulation in Guyana is ineffective and the regulatory environment is hostile towards new start-up companies and American investors and citizens doing business in Guyana. GT&T also uses the legal system to "tie up" its competitors in the Courts of Guyana to delay competitors from offering services.

The decline in settlement rates on the U.S.-Guyana route, will not result in any loss of revenues to GT&T since it has already put in place 25,000 –40,000cellular subscribers to make up for the revenue loss. In addition, the increase in volume of US bound calls to Guyana will be more than enough to make up the loss of settlement revenues.

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To The Commission:

OPPOSITION

Caribbean Telecommunications Limited ("CTL") hereby opposes the petition for waiver of the Benchmark Settlement Rate for Guyana, filed by Atlantic Tele-Network, Inc. ("ATN") on July 6 2001, requesting the Commission to waive the Benchmark Order. CTL is urging the Commission not to grant ATN the waiver because it would not serve the public interest. ATN and GT&T have not provided any valid reason for such waiver. Accordingly, CTL respectfully requests the Commission to deny the petition of ATN for Waiver of the Benchmark Settlement rates.

BACKGROUND

On July 06, 2001 ATN filed a petition pursuant to 47 C.F.R. 1.3 for a waiver of the benchmarks settlement rate, which will cap the price that U.S. carriers can pay to GT&T, to $0.23 beginning on January 1, 2002. ATN owns 80% of GT&T and the Guyana Government is a significant minority owner with 20% ownership. The Guyana Government has two board seats on the GT&T board.

In addressing ATN's arguments for a waiver, CTL will show below that ATN has failed to demonstrate how a waiver of the Benchmark rate is inconsistent with the public interest, Commission rules, Commission policy, and U.S. Policies on free trade and competition in Guyana. ATN has not raised any new legal or policy arguments, which warrant Commission consideration.

The Guyana Government, a significant shareholder of GT&T, has not supported ATN and GT&T in its petition despite the fact that the Government stands to lose revenues as well. The Government has implemented plans to end the GT&T monopoly by December 2002.

It is also necessary to give some background information on how GT&T has engaged in anti-competitive behavior towards its competitors including CTL, a licensed cellular provider in Guyana. CTL is currently operating under an existing interconnection agreement with Guyana Telephone and Telegraph (GT&T) CTL is registered in Guyana and owned by American Citizens residing in the United States. The company has purchased all of its equipment from American manufacturers in the United States.

GT&T has used its monopoly power to prevent CTL from operating its second cellular site in the capital of Guyana, Georgetown, where 75% of all the landlines in Guyana are installed. Georgetown also accounts for 80-90% of the total cellular market in Guyana. For over a year GT&T has refused to interconnect CTL in Georgetown causing millions of dollars in losses to CTL. GT&T refused to interconnect CTL despite the fact that CTL has an interconnection order (4/1997) from the Public Utilities Commission (PUC) dated October 27, 1997.[1] The interconnection order is for all regions of Guyana, including Berbice, one of the three counties in Guyana, where CTL is currently operating. The interconnection Order stipulates that GT&T and CTL will share equally in the net international settlements revenues earned from the inbound and

[1] In the matter of application by the Caribbean Telecommunications Limited for interconnection arrangement with the facilities of Guyana Telephone and Telegraph Company Limited.

outbound calls terminating on CTL's network. .GT&T wanted CTL to sign a new interconnection agreement order for Georgetown with exorbitant interconnection rates that will make CTL's business uneconomical to operate. CTL took the matter to the PUC in July 2000 asking the PUC to enforce CTL's interconnection agreement with GT&T To-date; the PUC has refused to order GT&T to interconnect CTL in Georgetown. CTL took its case to the High Court of Guyana in October 2000 requesting the Court to enforce CTL's interconnection order. The High Court ruled in CTL's favor in May 2001 and ordered both the PUC and GT&T to interconnect CTL. GT&T, determined to suppress competition in Guyana, joined with the Public Utilities Commission and obtained a stay of the High Court Judge's ruling. The matter is referred to the full Appeal Court and waiting a trial date. In the meantime, CTL's Georgetown operation is still "shut down" by GT&T. GT&T's anti-competitive action has harmed the public interest Therefore, the FCC must ensure that American Public interest is not harmed. . The action of GT&T is also hurting sales of American manufactured equipment to Guyana and hurting American companies from investing in Guyana.

In addition to CTL's interconnection problems, GT&T has done everything in its powers to prevent CTL from expanding. It deliberately withheld money (for two years), due CTL from the sharing of the net international settlement revenues for 1999 and 2000. GT&T still owes CTL money for the settlement period of December 2000 to August 2001..

CTL will stand to loose a large portion of the settlement revenues when the FCC benchmark rates take effect from January 01, 2002.[23]. But despite this major loss, CTL strongly believes that the public interest must come first, that the Guyana market must be

[2] [3] CTL will loose $0.31 ($0.62/2) per minute for all calls from the United States terminating on its network

opened to competition and that the United States policies and objectives on free trade and competition must not be harmed. And therefore, the grant of the waiver must be denied.

GT&T AND ATN ARE NOT DEPENDENT ON SETTLEMENT REVENUES TO FUND TELECOMMUNICATIONS INFRASTRUCTURE IN GUYANA

The Affidavit of Mr. Cornelius Prior, the Chairman, and Chief Executive Officer of ATN states that GT&T estimates that it would loose upwards from $US30 million in settlement revenues per year if the FCC imposes the proposed settlement benchmark rate. He continues to state that in order to recoup those revenues, GT&T would have to increase domestic rates by at least 1,000 percent. This is clearly not the case. GT&T will not be affected by the loss of the reduction in the benchmark settlement rates because it has already predicted this loss of revenues and built out its cellular network to compensate for this reduction of settlement rates. GT&T today has over 25,000 cellular subscribers and by January 2002 it will have close to 30,000-40,000 cellular subscribers. These subscribers will add over $US 50 million in revenues per year to GT&T. .GT&T can raise its cellular rates back to its previous level. and leave the land line rates intact.

GT&T reduced its cellular rates by 54 % that is below its costs. As a matter of fact, GT&T is engaging in predatory pricing and the only way to correct this behavior is to deny GT&T the waiver which will force GT&T to refrain from anti-competitive practices.

The Affidavit of Cornelius B. Prior, Chairman of ATN, cannot be fully substantiated in reference to the amount of money, GT&T has invested in Guyana. GT&T has not submitted any proof of its claim that it invested $140 million to expand and improve the Guyanese telecommunications network. As a matter of fact, the amount of investment that makes up GT&T's rate base is in dispute by the Guyana Public Utilites Commission ('PUC"). The PUC hired an American Consulting firm called Georgetown Consulting Group to review GT&T's operations. The Group revealed that GT&T has inflated its rate base and that there is in existence a highly inflated transfer pricing between ATN and GT&T.

Mr. Prior's statement that GT&T is heavily dependent upon settlement payment revenues to fund telecommunications infrastructure development and to provide universal service in Guyana is not true. For the first eight years of GT&T's existence, ATN paid no dividends to its 20% shareholder (the Government of Guyana). Instead, ATN used its earnings from GT&T's operations to finance its acquisition of other companies in its portfolio. It is therefore not true that 100% of GT&T's earnings were reinvested to expand and improve the Guyanese telecommunications network.

In a civil matter Opinion [4] in the District Court of the Virgin Islands involving Jeffrey J. Prosser,[5] as Plaintiff, Versus the current Chairman of ATN, Cornelius B. Prior, the opinion stated that "one of ATN's primary goals has been growth through acquisition of other companies within the telecommunications industry." This Opinion confirms that ATN was never interested in universal service in Guyana but only interested in acquiring other companies with its earnings.

The opinion further states that "GT&T already enjoys a rate of return on capital greater than the maximum that the PUC will allow." ..."that ATN suffers and will continue to suffer injury, because the Governmnet is opposed to Prior's methods of operating GT&T."

GT&T and ATN embarked on an expansion of international circuits for its audio text business. and these circuits are dedicated to its audio text business at the expense of universal service. It can be seen from the citing of Civil No. 1995-108-F-STX that ATN is not interested in the Network expansion and universal service of landline telephone network ,that GT&T is earning more than its 15% rate of return yet it is denying that it is making more than its authorized rate of return (15%). GT&T accounts for a substantial portion of ATN"s revenues as pointed out in the 1991 ATN common stock prospectus. ATN's strategy is to pull out all of the earnings from GT&T and use it to buy up other companies. For 10 years, ATN and GT&T had failed to bring universal service to

[4] Civil No. 1995-108-F-STX Opinion In the District Court Of The Virgin Islands Division of Saint Croix.
[5] Jeffrey Prosser was former Co-Chairman and equal shareholder with Cornelius Prior of ATN

Guyana and there is no indication that they will ever do.

The financial statements of GT&T from 1991 -2000[6] indicate that GT&T produced G$122.3 billion in revenues or US$831 million for this period. GT&T has to pay ATN 6% of these revenues as advisory fees (which is the subject of a dispute between the PUC and GT&T) The PUC wants to discontinue this fee to ATN so that this money can be used to finance the build out of GT&T's network.

TABLE ONE: GT&T audited Operating revenues

Period	Operating revenues G$millions	Exchange Rate G$/US$
1991	$3,095	111.8
1992	$4,749	125.1
1993	$ 5,598	130.1
1994	$10,889	138.2
1995	$18,626	141.9
1996	$21,052	140.3
1997	$16,701	143.6
1998	$12,801	150.4
1999	$14,998	177.0
2000	$13,783	181.5
Total	$122, 292	US$831

[6] Audited GT&T financial statements filed with the PUC

. The advisory fee is one method in which ATN extracts money from GT&T. GT&T revenues shown in Table One should have been used to build out the national network in Guyana to achieve a teledensity of at least 75. GT&T had the opportunity to use this money to build out its network but failed to do so.

ATN and GT&T have failed to submit to the Commission a detailed breakdown of the US$140 million of its capital expenditures by asset type and manufacturers costs. It would be useful to know what percentage of this $140 million is marked up by both ATN and GT&T above the actual vendors invoice price. In addition, ATN and GT&T have not shown the Commission any detailed list of its future capital expenditures by asset type and manufacturers cost over the next five years so that the Commission can determine if GT&T really needs the settlement revenues.to achieve a teledensity of 23.

Over the past decade, GT&T has added only 50,000 lines—an average of 5,000 lines per year. The average estimated cost per installed line is $1,500 Therefore it will cost $7.5 million to install 5000 lines. This amount can easily be financed internally from GT&T. When ATN purchased GT&T from the Government of Guyana there were 25,000 lines installed and 20,000 were working. The data in table one of ATN's Petitions is inconsistent with the data shown in ATN's Common Stock Prospectus of October 4, 1991[7]. In the Prospectus summary ATN claimed that "at time of the acquisition, GT&T had approximately 20,000 access lines (representing only 2.6 lines per 100 inhabitants), although in excess of 4,000 of these lines were not in service" GT&T has shown in Table One of its petition that it had 13,000 lines working in 1991 and as of December 2000 it had 79,812 working lines including cellular. It is estimated that the cellular subscribers at

[7] Atlantic Tele-Network, Inc Common Stock Prospectus dated October 4, 1991

the end of December 2000 were approximately 6,000. On May 7, 1996, according to a letter from the PUC to GT&T, ATN in a press release stated that it removed 18,012 lines from service temporarily due to non-payment by subscribers. The point here is that there is no accurate way in determining the true amount of access lines GT&T installed, since 1991. But even with GT&T's own numbers, it would be impossible to spend US$140 million over 10 years to install only 50,000 access lines during this period.

The reduction of the settlement rates from $0.85 per minute to $0.23 per minute would not cause any harm to the telecommunications development in Guyana. ATN has not demonstrated that it intends to build out a national network after 10 years of solid earnings from international settlements revenues. Instead, ATN has used the money from international settlements to finance the acquisition of other companies and GT&T used its financial clout to engage in anti-competitive practices , and expensive litigation in against the public Utilities Commission, the Government of Guyana , Caribbean Telecommunications Limited and other GT&T's competitors.

GT&T'S CELLULAR BUSINESS WILL REPLACE THE LOSS IN REVENUES FROM REDUCTION IN SETTLEMENT RATES

In March 2001, GT&T introduced Caller party pays (CPP) and reduced its cellular rates by 54%. This resulted into GT&T adding 9,260 cellular subscribers bringing the total subscribers at the end of May to 15,042. as shown in Table Two At the end of June and July 2001 it had a total of 18,836 and 22,192 respectively[8]. With the introduction of CPP and the price decline from G$70 per minute to G$32, GT&T's cellular subscriber base at the end of May produced G$68,781,522 in revenues. It is estimated that the airtime

[8] GT&T's cellular financial report to the PUC.

associated with these revenues is 952,043 minutes.[9] This is an increase of 7,223 % over pre-may 2001. The point here is the Commission can see clearly the impact of a price decline and the magnitude of the elasticity impact. A similar effect can be expected when the price of a long distance call from the United States to Guyana is reduced from January 2002.

GT&T cellular subscribes base has been growing by 3,800 per month. By January 2002, GT&T's will have a cellular subscriber base close to 30,000-40,000. This growth is expected to continue because there are over 100,000 people in Guyana waiting for a landline phone

GT&T's cellular business revenue is estimated to be over US $50 million per year This includes $16.6[10] million from international settlements for calls to the cellular subscribers. at the new Benchmark rate of $0.23.

In addition to the cellular settlement revenues,GT&T has created another source of revenues under the Caller Party Pays plan. GT&T's landline subscribers must pay for all calls made to its cellular subscribers The additional revenues are estimated to be in the millions. Added to the cellular revenues are the airtime revenues which are also estimated to be in the millions.

Table Two: GT&T cellular financial results submitted to the PUC

	Subscribers	Airtime revenues	Rental revenues	Total G$
Pre May 2001	5,782	921,304	415,849	1,337,153

[9] $30,465,395/$32 per minute

[10] It is estimated that each cellular subscriber receives approximately 200 minutes of airtime per month from overseas. This will produce a minimum of another US$12.4 million in incoming settlement revenues[10].

May 2001	15,042	30,465,395	38,316,127	68,781,522
June 2001	18,836	40,610,230	44,304,370	84,914,600
July 2001	22,192	36,966,264	48,043,760	85,010,025

. The majority of the cellular subscribers do not have a landline phone and the cell phone is the only phone they can use to make and receive overseas calls from the United States. GT&T has already built out a nation wide cellular network with no intention of building out a landline network

A similar or greater elasticity impact is expected to occur when the fall of the price of long distance calls from United States to Guyana takes effect from January 2002. CTL estimates that the price elasticity of demand will be so great that GT&T's in-bound minutes from the United States will increase significantly to offset the drop in the settlement rates Therefore, GT&T does not have to raise local rates. There will be more than enough revenues to invest in the expansion of the local network. Also, GT&T can finance the landline network with its massive profits from the cellular business.

The above analysis has shown that ATN's strategy is <u>not</u> to develop the Guyana landline network but to concentrate on its cellular business and neglect universal service. The majority of Guyanese will never be able to fully utilize the Internet with cell phones This will not accomplish United States policies of bridging the digital divide.

<u>ATN AND GT&T WILL USE THEIR MONOPOLY POWER TO RESTRICT COMPETITION</u>

For over a year GT&T has refused to interconnect CTL in Georgetown causing millions of dollars in losses to CTL. CTL has purchased equipment from American manufacturers for its Georgetown operations and the equipment including switches and base stations are installed and sitting idle in Georgetown. GT&T's strategy is to destroy all forms of competition in Guyana. GT&T's anti-competitive behavior has prevented CTL and Caribbean Wireless and other cellular operators from purchasing equipment from American companies. GT&T's action is simply to use its monopoly power to restrict competition.

The FCC has a statutory obligation to ensure that American public interest is not harmed due to unfair competitive practices by ATN. The FCC has expressed its concern in (the Matter of ATLANTIC TELE-NETWORK 214 application)[11] that "we continue to be concerned that ATN, through its controlling share of the sole provider of local services in Guyana (GT&T) has exclusive control over bottleneck facilities and operating in concert with GT&T could exclude new entrants into the US-Guyana market and provide unequal interconnection for or otherwise discriminate against competing US carriers. Indeed the available evidence already suggests that GT&T may be prepared to use its market power to exclude new entrants and otherwise restrict competition in Guyana." ATN in its 214 application states that "GT&T states that it will encourage the Government of Guyana to open the Guyana telecommunications market to competition in international communications within the next 5 years". Five years have past (1996) and GT&T and ATN have resisted competition. The Government of Guyana has now taken action to end GT&T.s monopoly and recently published its Consultation Paper on the Reform of the Telecommunications Sector[12]. Denying GT&T the waiver will achieve the United States Government policy of free trade and open competition for American business overseas and prevent GT&T from using its monopoly power to delay the reform of telecommunications sector in Guyana..

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[11] File No. I-T-C-90-153 INC Adopted October 31, 1991 in the matter of ATN 214 filing

[12] "Reform Of The Telecommunications Sector in Guyana." Paper approved by the Cabinet and being circulated for comments prior to implementation.

IMPACT OF A REDUCTION OF SETTLEMENT RATES ON GT&T's EARNINGS

Consumers in America and Guyana will benefit from the decrease in settlement rates since the cost of a telephone call will decrease dramatically. This has the effect of an increase in real wages for the average Guyanese and American consumers who spend large amounts of money on calls to and from Guyana. The money saved on these calls will be spent on other goods and services and the marginal propensity to consume will increase and thus will help the economy of both countries. On the Guyana side , businessmen and consumers will now spend more money on American goods and services since most consumer goods are purchased from the United States. Guyanese businessmen will be in a better position to increase employment and there will be more spending as the savings from the drop in telephone costs will be passed on to the general economy. The overall effect will be an increase in Gross Domestic Product and a healthy economy. But the impact will also be tremendous since most people will now be able to purchase American made computers,(popular in Guyana), with the cost savings from the drop in overseas calls. Computers and the internet will proliferate in Guyana and the country will not be left out of the technological revolution of the 21st century.

Because of an expected price reduction of long distance calls to & from Guyana to the United States, the volume of calls to the U.S will increase and this will help to offset the balance of trade one of the FCC's objectives. However, the increased volume will produce enough revenues to compensate for GT&T's loss of revenues from the reduction in settlement rates. GT&T will not suffer any decline in its telecommunications revenues since the company has already anticipated the FCC 's intention of moving towards a more-cost based regime and thus has put in place a solid guaranteed stream of revenues from its cellular operations amounting to over $50 million a year. Added to this will be the increase in revenues from increase call volumes due to the drop in price of a telephone call to and from Guyana.

The Benchmark settlement rate reduction for Guyana is $0.62 per minute. GT&T estimates that it will loose US$30 million per year GT&T has not produced the data to support this claim. However, a rough estimate shows that $30 million loss in settlement revenues can be made up by an increase of U.S minutes to Guyana

This will be easily achieved because the price of a long distance call is expected to fall in proportion to the settlement cost. It is estimated that the price of a call to Guyana from January 2002 will be in the range of $0.25-$0.35. This represents a price decline of 61 %. Therefore, an additional 200,000 Guyanese living in the United States will now increase their calling pattern to Guyana. In addition, the current subscribers calling Guyana will increase their volume of calls by at least 75%. The total minutes of increase will be over 100 million minutes a year which shows that ATN would not loose but instead gain from a reduction of the settlement rates. Also,ATN will be earning more revenues from the Guyana out-bound calls to the United States since the same effect will take place. In the final analysis, if the volume increase is not sufficient to compensate ATN for the loss in settlement revenues, then the 30,000 –40,000 cellular subscribers alone will produce $50 million per year in revenue. GT&T's strategy is to put in place a cellular network at the expense of a landline network in anticipation of the FCC mandatory reduction of the settlement rates. It has done this successfully. Therefore, ATN and GT&T will not be affected by the decline in the Benchmark rate.

GRANT OF WAIVER WILL CREATE AN UNEVEN PLAYING FIELD AND WILL NOT INCREASE TELEDENSITY

To Grant ATN this waiver, will create an uneven playing field where GT&T will continue with its anti-competitive behavior against American companies and jeopardize the network expansion and universal service programs in Guyana currently embarked by the Government..

GT&T has shown by its anti-competitive actions over the last 10 years that it will not use settlement revenues for infrastructure development and universal service. Most of these revenues will go to ATN for acquisition of other companies. GT&T has been funding ATN's acquisitions.

Grant of the requested waiver will set a precedent for opening the doors to other countries in the Caribbean and elsewhere to get similar waiver. The waiver can also create an uneven playing field and give ATN a competitive advantage against some of its competitors in Haiti , the Bahamas and other countries where ATN is doing business. The waiver must be denied to ensure that ATN and GT&T permit competition in Guyana and allow American companies to compete effectively on a level playing field and to ensure that the Government of Guyana and the United States policies of free trade and open competition are implemented. Network expansion and universal service in Guyana will be frozen if ATN is granted the waiver.
The public interest requires the FCC to implement its Benchmark rates so that American consumers will not subsidize a monopolist business and that American consumers and businesses will benefit form the cost savings in the reduction of the price of a telephone call to Guyana.

Telecommunications reform and the implementation of competition in Guyana is in danger if the Commission grants the waiver of the benchmark settlement rates, because ATN and GT&T will not negotiate with the Government of Guyana and all other stake holders in trying to end the monopoly. Opening of the Guyana market will serve the public interest, among other things thus enabling other American companies to complete the network expansion plan to reach a teledensity of over 50 by the year 2004. ATN is asking the Commission to waive the benchmarks until the sooner of five years or the teledensity in Guyana reaches 23.

To begin with, it is impossible to achieve this teledensity given the dismal performance by GT&T. After 10 years GT&T added only 50,000 lines and the teledensity increased from 2.6 in 1991 to 8.7 in 2001. To reach a teledensity of 23 within five years will require GT&T to add over 100,000 lines or 20,000 lines per year. GT&T's own statistics showed that it added an average of 5,000 lines per year. With this history, it will take GT&T 20 years to reach a teledensity of 23.

The requested waiver must be denied because ATN and GT&T cannot demonstrate any commitment to network expansion and universal service as evidenced by their refusal to complete the expansion program as agreed between ATN and the Government of Guyana. A waiver will allow GT&T to continue to reap monopoly profits and neglect the existing network expansion and universal service programs in Guyana.

The Commission cannot afford to take a chance on GT&T's promises to expand the landline network because GT&T has broken its promise to use the settlement revenues earned during the last 10 years to build out a national network in Guyana Therefore CTL urges the commission to deny ATN's petition for a waiver of the benchmark rate to the U.S.- Guyana route.

WAIVER OF THE THE BENCHMARK RATE IS INCONSISTENT WITH THE PUBLIC INTEREST

ATN and GT&T have not shown any good cause for the FCC to use its discretion to waive the Benchmark rates for Guyana. The Commission may exercise its discretion to waive a rule where particular facts are overwhelming and where a utility faces hardship and where the public interest will benefit from the waiver. GT&T will not face any hardship from the implementation of the Commission Bench mark rates.Grant of the requested waiver will harm the public interest.

As a matter of fact, GT&T has harmed the public interest because GT&T has deliberately prevented American companies from competing in Guyana and denied consumers wider choices. GT&T and ATN should not be rewarded for harming public interest. This will weaken United States and the IMF policies on competition and the ending of the GT&T monopoly in Guyana. A waiver is **inconsistent** with the public interest GT&T is in no difficulty requiring any safety valve or any special circumstance . A safety valve procedure is not necessary

The Commission has an obligation to seek out the 'public interest' and protect the public from anti-competitive behavior of any public utility. Accordingly, the Commission must take a "hard look" at GT&T's conduct in Guyana.and impose penalties on GT&T for harming the public interest. The Commission must help to bring universal service to Guyana and protect the public interest. For the reasons stated above, ATN's petition for a waiver should be denied.

Respectfully submitted,

Caribbean Telecommunications Limited

By: ______________________

Lloyd Soobrian

September 10, 2001